

— KREGER BEEGHLY, PLLC —

ATTORNEYS

Request for confidentiality of exhibits has been retracted
by Applicant. 11-27-12 MK

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Via Electronic Delivery and U.S. Postal Service

October 16, 2012

Mr. Ronald J. Pastuch, CPA
Holding Company Manager
Company Supervision Division
Washington State Office of the Insurance Commissioner
PO Box 40249,
Olympia, WA 98504-0259

**Re: Form A Statement Regarding the Acquisition of Control of
Amerigroup Washington, Inc., a Washington-domiciled
Health Care Service Contractor ("HICSC") –
Filed with the Office of the Insurance Commissioner August 6, 2012**

WellPoint Amerigroup Form A Questions and Responses

Dear Ron:

On behalf of WellPoint, Inc. ("WellPoint"), I am providing the following information and materials in response to your October 11, 2012 email to me in which you requested additional information in connection with the above Form A Statement filed with the Washington State Office of the Insurance Commissioner ("OIC") on August 6, 2012, as supplemented (the "Form A Statement"). For convenience of reference, I have repeated your information requests or questions in boldface italics below, and under each I have indicated the WellPoint response. Also, for consistency, relevant capitalized terms used in this response letter have the same meanings as set forth in the Form A Statement, except as may otherwise be defined herein or as the context may require.

- 1. Please provide a listing of the significant regulatory actions taken on WellPoint and its affiliates for the past seven years. We noted that Anthem Ins Co surrendered its certificate in FL, Empire Healthchoice paid a \$296,200 fine in NY, and Anthem Health Plans of KY paid \$500,000 fine due to the findings in a Kentucky market conduct examination. In the new listing, please provide any actions where a fine was levied on WellPoint of \$100,000 or more, any revocations, suspensions, or surrenders. During the review of the corporate biographical affidavits, the persons determined that settlements or small fines of less than \$250,000 were for technical deficiencies. We*

disagree that limit level is set higher than most would expect. Please provide us with a list as described above.

For a list of WellPoint's and its affiliates' significant regulatory actions for the past seven years (calendar year 2005 to date), please see **Confidential** Exhibits 1-A and 1-B. In accordance with your request, above, and solely for the purpose of **Confidential** Exhibits 1-A and 1-B, "significant regulatory action" means (A) impositions of insurance company/HMO license revocations, suspensions, and surrenders, and (B) actions where a fine of \$100,000 or more was levied on WellPoint or one of its affiliates.

Please note that Confidential Exhibits 1-A and 1-B have been prepared by WellPoint specifically in response to your questions referred to above. As such, they are proprietary company documents and not otherwise available to the general public. WellPoint considers your request to be a legitimate OIC investigation and analysis of relevant market conduct and financial issues pertaining to the Company as part of your review of the Form A Statement. Therefore, we respectfully request that Confidential Exhibit 1-A and Confidential Exhibit 1-B be maintained as confidential and not subject to public dissemination in any form. We further respectfully request that the OIC notify me and WellPoint in the event the OIC receives a public records request for these documents, and before any disclosure of these documents, to afford the Company and its attorneys ample opportunity to defend against such disclosure.

2. *Please provide a listing of pending or ongoing litigation by various parties and WellPoint. We noted in the WellPoint 10-K filing that several market conduct issues were discussed and we need to know the status of those issues regardless if WellPoint believes the charges are without merit and is vigorously defending itself.*

As you and I discussed subsequent to your October 11 email, and as I communicated to Kate Reynolds, an update of the litigation described in WellPoint's 2011 Annual Report on Form 10-K and 2012 Quarterly Reports on Form 10-Q will be promptly provided to the OIC by WellPoint as soon as its third quarter 2012 Quarterly Report on Form 10-Q is filed with the Securities and Exchange Commission. The Form 10-Q for the third quarter 2012 is expected to be released on or before November 7, 2012. I will deliver this report to you as soon as I receive it and can review any specific questions you may have regarding pending litigation as reported at that time. I can report to you now that WellPoint does not consider any of the reported litigation to have a negative effect on the proposed WellPoint/Amerigroup Agreement and Plan of Merger.

3. *Please confirm that we have the biographical affidavits on all directors and executive officers of WellPoint given the flurry of corporate changes at WellPoint since the receipt of the Form A filing.*

WellPoint confirms that it has provided the OIC with biographical affidavits for all of its current directors and executive officers. Since the August 6, 2012 filing of the Form A Statement, there have been some departures and changes in titles (information about

which has previously been provided to the OIC); however, no new individuals have been elected to WellPoint's Board of Directors or appointed as executive officers of WellPoint.

4. *Please provide the latest SEC filing regarding the financial condition of WellPoint as of September 30, 2012 when that filing becomes available. We know that WellPoint is scheduled to release its earnings and financial condition report on October 31, 2012. We would accept that filing even if we send the Form A package to the Hearings Unit before its release.*

WellPoint is scheduled to release its third quarter 2012 earnings results on November 7, 2012. WellPoint will promptly provide the OIC with a copy of its Quarterly Report on Form 10-Q for the third quarter 2012 as soon as it is filed with the Securities and Exchange Commission (also expected to be November 7, 2012).

5. *We noted some discrepancies on three of the biographical affidavits for Deveydt, Baker, Jr. and Schaefer, Jr. There were some civil suits which these persons were named in US District Court and South District of Indiana. There were some other civil suits detected on two persons where they answered "No" on their affidavit. Please provide some clarification on their reason for providing this answer in light of these detected civil suits.*

The above-referenced civil actions were not disclosed in the biographical affidavits because they are not responsive to the request for, and do not involve, civil actions involving dishonesty, breach of trust or a financial dispute. As a director and/or an executive officer of a public company, it is commonplace to be included as a named defendant in class action lawsuits against the company for a variety of matters including the typical shareholder derivative and ERISA actions.

Please do not hesitate to contact me at 206-829-2757 or Tibor Klopfer at Faegre Baker Daniels LLP (317-237-1133) with any questions about this response.

Sincerely,


Brian F. Kreger

cc: Kate Reynolds, Washington State Office of the Insurance Commissioner (w/encls)
Kris Graap, Washington State Office of the Insurance Commissioner (w/encls)
Tibor Klopfer, Faegre Baker Daniels LLP (w/encls)
Kreger Beeghly, PLLC file

Exhibit 1-A

Significant Regulatory Actions from 2005 to Present

(impositions of insurance company/HMO license revocations, suspensions and surrenders; ordered by date)

COMPANY	DESCRIPTION	DATE	STATE(S)
UNICARE Health Plan of Virginia, Inc.	surrendered in connection with the merger with and into HealthKeepers, Inc.	1/1/2006	VA
UniCare Life & Health Insurance Company	license renewal fee was not paid due to a change of personnel responsible for the accounting function for the company and the license lapsed; the problem was rectified as soon as it was identified	2008	Puerto Rico
WellChoice Insurance of New Jersey	licenses surrendered in anticipation of dissolution	2008	AL, AK, IL, MO, NJ, NM, PA, AD, TN, WV, WY
Anthem Insurance Companies, Inc.	no business; license was surrendered per statute language that companies not doing business for a period of 5 years or more must surrender	10/9/2008	FL
OneNation Insurance Company	no business and license was surrendered to eliminate the cost of maintaining the license	12/31/2008	Virgin Islands
Peninsula Health Care, Inc.	surrendered in connection with the merger with and into HealthKeepers, Inc.	10/1/2010	VA
Priority Health Care, Inc.	surrendered in connection with the merger with and into HealthKeepers, Inc.	10/1/2010	VA
Healthy Alliance Life Insurance Company	only conducting business in a few core states and remaining licenses surrendered to eliminate the cost of maintaining the license as well as capital and surplus requirements plus special deposits	2010/2011	AL, AR, AZ, CA, CO, DE, DC, HI, ID, IN, IA, LA, MD, MS, MT, NE, NV, NM, NC, ND, OH, OK, OR, PA, SC, SD, TN, TX, UT, VA, WA, WV, WI

Exhibit 1-B

Significant Regulatory Actions from 2005 to Present
(fines of \$100,000 or more; ordered by date)

ENTITY	AMOUNT	ACTION	DOCUMENTATION	DATE	STATE
Blue Cross of California	\$120,000	alleged violations of Health and Safety Code sections 1374.34(b) and 1386(b)(7) and Rules 1300.74.30(y) and (j)(1)(B)	accusation	2005-04	CA
Blue Cross of California	\$150,000	for deficiencies identified in a non-routine behavioral health survey		2005-07	CA
Blue Cross of California	\$150,000	processing errors with respect to credit and debit card premium payments (matter 05-181)	letter of agreement	2005-08	CA
Empire HealthChoice Assurance, Inc. and Empire HealthChoice HMO, Inc.	\$500,000	civil penalty in connection with examination findings that alleged violations of NY insurance laws	stipulation	2006-03	NY
Blue Cross of California	\$200,000	failure to properly pay interest and penalties (matter 05-237)	letter of agreement	2006-06	CA
Blue Cross of California	\$200,000	wrongful rescission of an enrollee's health care coverage (matter 06-214)	accusation	2006-09	CA
Blue Cross Blue Shield Healthcare Plan of Georgia, Inc.	\$300,000	penalty in connection with market conduct examination findings	consent order	2006-10	GA
Blue Cross and Blue Shield of Georgia, Inc.	\$300,000	penalty in connection with market conduct examination findings	consent order	2006-10	GA
Anthem Health Plans of Virginia, Inc.	\$105,000	settlement in connection with findings from a market conduct examination of the company's non-financial business that alleged violations of business practices that	settlement order	2007-07	VA
Rocky Mountain Hospital and Medical Service, Inc.	\$1,505,100	administrative assessment for record keeping, claim processing and notice deficiencies related to a claims system conversion (initial consent order required fine of \$1 million with the option for additional assessments if quarterly corrective tasks were not accomplished -- \$500K fine for Q1 2008 and \$5,100 fine for Q2-Q4 of 2008 were levied)	consent order	2008-01	NV
Rocky Mountain Hospital and Medical Service, Inc.	\$290,000	civil penalty to the Colorado Division of Insurance in connection with various issues raised following a routine market conduct examination.	final agency order	2008-07	CO
HMO Colorado, Inc.	\$252,000	civil penalty to the Colorado Division of Insurance in connection with various issues raised following a routine market conduct examination.	final agency order	2008-07	CO
Rocky Mountain Hospital and Medical Service, Inc.	\$500,000	administrative assessment for failure to meet deadlines to correct deficiencies in its claim processing procedures	stipulation and supplemental order	2008-08	NV
Blue Cross of California	\$10,000,000	administrative fine for engaging in the practice of post-claims underwriting	stipulated settlement agreement	2008-08	CA
Anthem Blue Cross Life and Health Insurance Company	\$1,000,000	penalty in connection with findings from a market conduct examination that alleged violations of the California Insurance Code	stipulation and waiver; order	2009-02	CA
Anthem Health Plans of New Hampshire, Inc.	\$150,000	fine in connection with findings from a market conduct examination of the company's Medicare Supplement products	consent order	2009-06	NH
Blue Cross of California	\$2,500,000	settlement agreement re: undertakings entered at time of change in control associated with WellPoint/Anthem merger (matter 07-357)	stipulated settlement agreement	2009-11	CA
Blue Cross of California	\$100,000	failure to timely provide documents to the Division of Licensing to verify the adequacy of its new stand-alone network (matter 10-077)	stipulation and order	2010-04	CA
Anthem Health Plans of New Hampshire, Inc.	\$100,000	fine imposed for having NH groups with over 25 VT subscribers, which is a violation of VT law	stipulation and consent order	2010-05	VT

ENTITY	AMOUNT	ACTION	DOCUMENTATION	DATE	STATE
Community Insurance Company	\$5,900,000	refund or credit to policyholders who were charged rates that were not consistent with the rates filed with the Ohio Department of Insurance	consent order	2010-06	OH
Blue Cross of California	\$500,000	failure to pay claims timely, to pay interest on late claims, and to include fee for failing to include interest; failure to establish and maintain a dispute resolution mechanism; time limits for reimbursement, contest, or denial of certain claims (matter 10-002)	letter of agreement	2010-11	CA
Anthem Health Plans of Kentucky, Inc.	\$300,000	civil penalty in connection with findings from a market conduct exam that alleged violations of the Kentucky Insurance Code (fined \$500,000 but \$200,000 deferred pending a follow-up exam)	agreed order	2010-12	KY
UNICARE Health Insurance Company of the Midwest	\$105,000	civil forfeiture in connection with various issues raised following a routine market conduct examination	stipulation and consent order	2011-05	IL
WellPoint, Inc.	\$100,000	settlement in connection with a security breach	settlement agreement	2011-06	IN
UniCare Life & Health Insurance Company	\$100,000	violations of Washington insurance law regarding the marketing/sale of student health products through HTH	consent order	2011-12	WA

Supplemental Exhibit 1-B

Significant Regulatory Actions from 2005 to Present
(fines of \$100,000 or more; ordered by date)

ENTITY	AMOUNT	ACTION	DOCUMENTATION	DATE	STATE
Anthem Life Insurance Company	\$150,000	settlement for alleged violations of state insurance laws for transmitting nonpublic personal health information to the NH's TPA without the prior written consent of the state employees (\$250,000 settlement reduced to \$150,000)	consent order	2009-06	NH
Empire HealthChoice Assurance, Inc. and Empire HealthChoice HMO, Inc.	\$480,440	civil penalty in connection with alleged violations of NY insurance laws regarding the obligation to notify contract holders of the availability of certain mental health benefits under "Timothy's Law"	stipulation	2012-02	NY